6/15/87 C6240-1

Business and commercial Aviation

THE WEEKLY OF BUSINESS AVIATION

Vol. 44 No. 24 June 15, 1987 Page 193

INSIDE

Cessna To Start Production Upswing.....Page 194
Fairchild, Aeritalia End Discussions.....Page 195
Rolls-Royce To Decide On RTM322.....Page 196
Business Aviation Briefs.....Page 197
Marketplace.....Page 200

DAVE COLLOGAN/EDITOR
KATHRYN BLEDSOE/ASSISTANT EDITOR
1156 15th STREET, N.W./WASHINGTON, D.C. 20005
PHONE: (202) 822-4600/TELEX: 89-2447

AIR TRAFFIC CONTROLLERS ELECT NATCA FOR UNION REPRESENTATION

Air traffic controllers voted last week to accept representation by the National Air Traffic Controllers Association by a nearly 70 percent margin. Ballots, which were counted last Thursday, resulted in 7,494 of 10,768 cast in favor of union representation. Approval required only a simple majority. John Thorton, NATCA's national coordinator, said the victory "culminates years of hard work and sacrifices."

Thorton said NATCA would be based on a "non-adversarial approach to problem solving." The union's constitution holds a no-strike provision which requires that the union work within the limits of the law. Thorton said NATCA did not want to take an adversarial position and said users of the system should not be made "pawns of our position for the purpose of negotiation." Thorton said the union would be an effective tool on Capitol Hill. He said that after having "congressmen, the General Accounting Office, and the Federal Aviation Administration testify about controllers, it is about time that controllers testify about controllers."

Hiring of more air traffic controllers will be the union's number one priority, Thorton said. He said the system is stretched to the limit now, and estimated approximately 3,000 more controllers are needed. "Staffing has so much to do with every aspect of the job," Thorton said. He said the air traffic system must be restricted and said the level of traffic has outgrown the system's capabilities. NATCA has not as of yet taken a position on rehiring fired controllers from the 1981 PATCO strike, Thorton said, with the union being "pretty much split down the middle."

Vote for NATCA representation began on May 6 when the Federal Labor Relations Authority mailed ballots to approximately 12,500 controllers on behalf of NATCA. NATCA won approval for the election by submitting the signatures of 5,800 controllers who favored an election (BA, March 30/98). The ballot provided two options, a vote for NATCA, or a vote for no union. Air traffic controllers have been without a union since shortly after the illegal strike in August 1981 by the Professional Air Traffic Controllers Organization (PATCO).

FAA RESPONDS TO NTSB WITH FLOW CONTROL ADJUSTMENTS

Federal Aviation Administration announced Thursday that Central Flow Control in Washington, D.C. will take control of 44 of the nation's 652 air traffic control sectors previously under regional jurisdiction, in an attempt to aid in the reduction of air traffic this summer. FAA also placed additional approach control (or "over") sectors under the control of the central facility to monitor traffic in transit between these areas, said David Hurley, an FAA official. New procedures will require aircraft to be "held on the ground, air speeds reduced, or traffic rerouted" in order to space out aircraft. General aviation pilots flying above 23,000 feet will be asked to file IFR flight plans at least four hours ahead of departure (BA, June 1/178). General aviation interests had previously expressed a willingness to cooperate with the filing, but said the program must remain on a voluntary basis and be as flexible as possible.

FAA will also require student pilots flying through TCAs to receive specialized ground and flight training in the particular TCA in which they want to fly. The agency reiterated its intention to

(Continued on the following page)

NOW ONLINE WORLDWIDE

PUBLISHED BY THE BUSINESS PUBLICATIONS DIVISION OF MURDOCH MAGAZINES, A DIVISION OF NEWS AMERICA PUBLISHING, INC. COPYRIGHT © 1987 NEWS AMERICA PUBLISHING, INC. ALL RIGHTS RESERVED. REPRODUCTION IS STRICTLY PROHIBITED. SUBSCRIPTIONS: ONE YEAR $345. SIX MONTHS $225.

BUSINESS AVIATION BRIEFS

CESSNA AIRCRAFT CHAIRMAN RUSSELL MEYER said the company returned to profitability in the first quarter of 1987 and "we will continue to be in the black in the second quarter." Meyer said he is "not ready to call it a banner year yet, but it's turning out to be much better than we thought it would be a few months ago."

* * *

TRANSITION RULE ATTACHED TO TAX REFORM legislation last year that ended the Investment Tax Credit was cited by Meyer as a key factor in Cessna's financial turnaround. Although the bill ended use of the ITC for most business-related purchases last October, the transition rule permitted persons who contracted for aircraft prior to Dec. 31, 1986 and who take delivery of those aircraft prior to July 1, 1987, to claim the ITC credit. "We took a lot of orders in October, November, and December," Meyer said. "It was a tremendous benefit in the first half" of 1987. Cessna officials said they delivered 14 Citation business jets in the first quarter and expect to deliver 20 more in the second quarter, which represents an increase of over 200 percent compared to the same period last year.

* * *

TECHNICAL CORRECTIONS TO LAST YEAR'S TAX LAW, introduced last week, include a provision which extends the ITC transition rule exempting purchasers of aircraft built in Florida, Georgia, Kansas, and Texas to include all states. The provision was one of hundreds introduced by Sen. Lloyd Bensten (D-Texas) and Rep. Dan Rostenkowski (D-Ill.), chief writers of the law.

* * *

DEHAVILLAND CANADA AND SHORTS announced Friday in Paris they are considering two different versions of a new 25-seat aircraft for the regional market. The two planes, designated NRA (New Regional Airliner) 90-A and NRA 90-B, would have identical 95-inch fuselage diameters permitting six-foot stand-up headroom in the aisle. The NRA 90-A is a conventional high-wing twin-turboprop design that emphasizes system's simplicity for low cost operation. The NRA 90-B is a more radical high technology design featuring two turbine engines mounted within the rear fuselage driving two aft mounted counter rotating pusher propellers with separate gearboxes and drive shafts. Officials said they would decide by yearend which design to pursue. Goal of the program is to produce an aircraft with a price of no more than $4 million (U.S.)

* * *

SAAB AIRCRAFT officials at Paris Friday said they are considering a stretch version of the SF340. Proposed aircraft would have 40-60 passenger seats but few other details were available since the study is in a very preliminary stage. No decision on what engines would power the stretch aircraft have been made.

* * *

EMBRAER officials plan to make a final decision on the powerplant for the new 19-passenger EMB-123 by July 10. Principal competitors are the Pratt and Whitney PW400/1, which is based on the PT6 core and the existing PT6 A-67 and a version of the Garrett TPE331. While no firm sales price for the aircraft has been established officials now say it will be a minimum of $3.5 million in U.S. dollars and there are indications that it could approach $4 million, depending on the engine and other parameters yet to be determined.

* * *

NATIONAL AIR TRANSPORTATION ASSOCIATION reported marginal increases in fixed-base operator and air taxi activity in the first quarter of 1987, with FBO companies with 31 to 50 employes showing the largest gains with a seven percent increase over the same period last year. Sales of avgas and jet fuel increased six percent and two percent respectively. Flight activity with increases in every category, increased eight percent; maintenance activity increased nine percent (NATA chart is shown on the back of this page).

COPYRIGHT © 1987 NEWS AMERICA PUBLISHING, INC.

GENERAL AVIATION OPERATIONAL PROFILE
Comparison of First Quarter Activity
1987 vs. 1986

	Industry wide Change	Change in Activity by FBO Size				Change in Activity by FAA Region							
		1-15 Employees	16-30 Employees	31-50 Employees	over 50 Employees	CE	EA	GL	NE	NW	SO	SW	WE
	%	%	%	%	%	%	%	%	%	%	%	%	%
FULL-TIME EMPLOYEES	1	4	5	7	2	2	3	8	7	4	-3	-13	5
FUEL SALES (gallons)													
Avgas	6	2	-5	17	5	-8	15	3	7	-5	12	-17	13
Jet Fuel	2	2	5	5	1	15	2	5	-7	7	4	-6	7
Airline Contract	-6	7	8	-13	13	14	13	19	-10	15	-15	18	15
FLIGHT ACTIVITY (Hours)													
Flight Instruction	14	18	3	17	2	13	4	18	12	20	16	16	-12
Aircraft Rental	14	17	7	16	0	19	3	21	20	15	19	-5	-13
Air Taxi	8	15	6	1	7	19	-7	15	17	-11	12	-4	-2
MAINTENANCE (hours)													
Shop Hours	9	3	-12	17	6	12	-3	-8	6	2	14	-6	4

Chart by NATA

1987